

**Manchester City Council
Report for Resolution**

Report to: Resources and Governance Scrutiny Committee – 18 June 2019

Subject: Ethical Procurement and Contract Management Sub Group
Terms of Reference

Report of: Governance and Scrutiny Support Unit

Summary:

This report provides the Committee with the current terms of reference for the Ethical Procurement and Contract Management Sub Group which the Committee is asked to agree.

Recommendations:

The Committee is asked to re-establish the Ethical Procurement and Contract Management Sub Group for the Municipal Year 2019/20 and in doing so is invited to:-

1. Agree that the Chair of Resources and Governance Scrutiny Committee chairs the Ethical Procurement and Contract Management Sub Group.
 2. Determine and agree the membership of the Sub Group and proposed dates of meetings.
 3. Agree (or amend) the terms of reference as set out in the report.
 4. Agree (or amend) the work programme as set out in the report.
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Contact Officers:

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Background documents (available for public inspection):

None

1.0 Introduction

1.1 At its meeting on 20 July 2017 the Resources and Governance Scrutiny Committee agreed to establish an Ethical Procurement Sub Group. Membership of the Sub Group was to be formed from Members of the Resources and Governance Scrutiny Committee, Members of the Council's Audit Committee and the Chairs of the other five Scrutiny Committees.

1.2 The Committee also agreed the Terms of Reference at the same meeting. The key activities agreed by the Sub Group were:

- To monitor the Governance of the Social Value Fund;
- To monitor large contracts that the Council has entered or is about to enter into to ensure Social Value is contained within these;
- To review how the Council's Health Partners incorporate Social Value within their contracts; and
- To review communication and promotion of the Policy.

1.3 As agreed when established in July 2017, the Sub Group will be ongoing until a time it is felt that it is no longer required. At its meeting in February 2019, the Sub Group felt that there was still merit in continuing to meet in the next Municipal Year (2019/20), but felt that the Sub Group should increase its number of meetings from three to four and also include within its terms of reference the objective of monitoring the management of contracts that the Council has entered, or is about to enter into.

1.4 The membership of the Sub Group for the 2018/19 Municipal Year was:-

Councillor Russell (Chair)
Councillor Ahmed Ali
Councillor Clay
Councillor Farrell (Chair of Health Scrutiny)
Councillor Hacking (Chair of Communities and Equalities Scrutiny)
Councillor Igbon (Chair of Neighbourhood and Environment Scrutiny)
Councillor Lanchbury
Councillor H Priest (Chair of Economy Scrutiny)
Councillor Reid
Councillor Shilton-Godwin
Councillor Stone (Chair of Children and Young People Scrutiny)
Councillor Watson
Councillor Wheeler

2.0 Recommendations

2.1 The recommendations are set out on the front of this report.

Title	Ethical Procurement and Contract Management Subgroup
Membership 2018/19	Councillor Russell (Chair), Ahmed Ali, Clay, Farrell, Hacking, Igbon, Lanchbury, H Priest, Reid, Shilton-Godwin, Stone, Watson and Wheeler
Membership 2019/2020	Councillor Russell (Chair)
Lead Executive Members	Executive Member for Finance and Human Resources
Strategic Directors	City Treasurer (Deputy Chief Executive)
Lead Officers	Head of Corporate Procurement Procurement Manager (Level 2) Group Manager - Procurement Work and Skills Project Manager
Contact officer	Mike Williamson – Scrutiny Team Leader
Objectives	<ol style="list-style-type: none"> 1. To monitor contracts that the Council has entered, or is about to enter into, to ensure Social Value is contained within these and any other contracts the Group deem appropriate; 2. To monitor KPI's, outcomes and deliverability of projects; 3. To monitor the governance of the Social Value Fund; 4. To review how the Council's Health Partners incorporate Social Value within their contracts; 5. To monitor the management of contracts that the Council has entered, or is about to enter into; and 6. To review the communication and promotion of the Ethical Procurement Policy amongst Council partners.
Key Lines of Enquiry	<ol style="list-style-type: none"> 1. To consider the proportion of procurement contracts possibly awarded to businesses that were not based in Manchester or Greater Manchester; 2. To consider the evaluation of the Ethical Procurement Policy's use in the tender processes and the extent to which its principles were being considered and whether the principles and objectives of the Policy are being rolled out across the authorities of the Greater Manchester Combined Authority; 3. To consider what promotion of the Social Value Toolkit is taking place and the wider understanding of the opportunities

	<p>presented by ethical procurement across all directorates and services in the City Council;</p> <p>4. To consider whether a consistent approach to Social Value evaluation across Greater Manchester is being achieved; and</p> <p>5. To consider an evaluation of prompt payments by main contractors to enable contract monitoring through key performance indicators during the contract period.</p> <p>6. To consider how the Council applies and monitor Social Value through the NWCH and Capital Contracts</p>
Operation	<p>This Sub Group will report its findings to the Resources and Governance Scrutiny Committee by submitting minutes to the Committee. The Committee will be asked to endorse any recommendations from the Sub Group.</p>
Access to Information	<p>Meetings of the Sub Group will be open to members of the media and public except where information that is confidential or exempt from publication is being considered.</p> <p>Papers for the Sub Group will be made available to members of the media and public on the Council's website and Library Walk within the Town Hall Extension except where information which is confidential or exempt from publication is being considered.</p>
Schedule of Meetings	<p>To hold 4 meetings in the 2019/20 Municipal Year.</p> <p>Indicative dates are as follows:-</p> <p>1st meeting – Wednesday 31 July 2019 at 2:00pm 2nd meeting – Tuesday 24 September 2019 at 2:00pm 3rd meeting – Tuesday 26 November 2019 at 2:00pm 4th meeting – Tuesday 25 February 2020 at 2:00pm</p>
Commissioned	<p>July 2017</p>

**Resources and Governance Scrutiny Committee – Ethical Procurement and Contract Management Subgroup
Work Programme –June 2019**

Meeting 1 – 2:00pm Wednesday 31 July 2019 Council Antechamber, Level 2, Town Hall Extension Deadline for reports: Monday 22 July 2019				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Our Town Hall Project – delivery of Social Value update	To receive a report meeting that provides an update on how Social Value is being delivered through the Our Town Hall Project.	Cllr Ollerhead (Exec Member for Finance and Human Resources)	Paul Candelent Peter Norris Ian Brown/Peter Schofield	See 21 Feb 2019 minutes
Modern Slavery update	This report will also provide an update on the activities to address Modern Day Slavery.	Cllr Ollerhead (Exec Member for Finance and Human Resources)	Peter Schofield/ Karen Lock	
Social Value Policy audit	To receive a report that provides information on the Social Value Policy and how equality outcomes are measured and recorded	Cllr Ollerhead (Exec Member for Finance	Peter Schofield/ Fiona Ledden	See 21 Feb 2019 minutes Invite Tom Powell – Head of Internal

		and Human Resources)		Audit
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Meeting 2 – 2:00pm 24 September 2019, Council Antechamber, Level 2, Town Hall Extension Deadline for reports: Friday 13 September 2019				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Work Programme	To review and approve the current work programme.	-	Mike Williamson	

Meeting 3 – 2:00pm 26 November 2019, Council Antechamber, Level 2, Town Hall Extension Deadline for reports: Friday 29 November 2019				
Item	Purpose	Lead Executive Member	Lead Officer	Comments
Work Programme	To review and approve the current work programme.	-	Mike Williamson	

Meeting 4 – 2:00pm 25 February 2020, Council Antechamber, Level 2, Town Hall Extension
Deadline for reports: Friday 14 February 2020

Item	Purpose	Lead Executive Member	Lead Officer	Comments
Work Programme	To review and approve the current work programme.	-	Mike Williamson	

Items to be scheduled

(Items highlighted in grey have been added to one of the above meetings)

Item	Purpose	Lead Executive Member	Lead Officer	Comments
Appointment of local people/companies to MCC contracts – the Council’s legal position	To consider a report on what the Council’s legal position is in relation to trying to ensure local people and companies gain employment on local contracts.	Cllr Ollerhead (Executive Member for Finance and Human Resources)	Rebecca Maddison	
Our Town Hall Project – delivery of Social Value update	To receive a report meeting that provides an update on how Social Value is being delivered through the Our Town Hall Project.	Cllr Ollerhead (Executive Member for Finance and Human Resources)	Paul Candellent Peter Norris Ian Brown	See 21 Feb 2019 minutes
Modern Slavery update	This report will also provide an update on the activities to address Modern Day Slavery.	Cllr Ollerhead (Exec Member for Finance and Human Resources)	Peter Schofield/ Karen Lock	See 21 Feb 2019 minutes

Social Value Policy audit	To receive a report that provides information on the Social Value Policy and how equality outcomes are measured and recorded	Cllr Ollerhead (Executive Member for Finance and Human Resources)	Ian Brown	See 21 Feb 2019 minutes
Review of the Ethical Procurement Policy with regard to Trade Union recognition and Whistleblowing	To consider the Council's Ethical Procurement Policy and whether the policy has appropriate Trade Union/whistleblowing recognition within in it or whether this is an area that requires strengthening	Cllr Ollerhead (Executive Member for Finance and Human Resources)	Ian Brown	
Social Value outcomes - measurement and tracking	To consider a report on how the Council tracks the outcomes of social value derived from its contracts, including:- <ul style="list-style-type: none"> • who is responsible for doing this; • what information is being collated; and • what methodology is being used 	Cllr Ollerhead (Executive Member for Finance and Human Resources)	TBC	
The Council's Social Value Fund	To consider a report on the Council's Social Value Fund. This report will include:- <ul style="list-style-type: none"> • what is in the fund to date; • what is being done with the money within the fund; • how is the Council ensuring that it isn't just a way in which contractors add 10% to the project price, 	Cllr Ollerhead (Executive Member for Finance and Human Resources)	TBC	

	and then hand back 5% as a social value contribution			
Delivery of Social Value and Ethical Procurement from the Council's Security Contract(s)	To receive a report on what steps the Council has taken / is taking to ensure that its security contract(s) are being ethically procured and how Social Value is being delivered from these contracts.	Cllr Ollerhead (Executive Member for Finance and Human Resources)	Ian Brown/ Steve Southern/ Julie McMurray	
Promotion of Social Value from Executive Members	To review what emphasis Executive Members have been placing on Social Value when approving contracts	All Exec Members		Invite Executive Members to the meeting
The benefit of Social Value	To invite local companies to come and discuss how they have implemented social value within their organisations and what it has meant to them in terms of how they operate.			
Delivery of Social Value in the new Health and Social Care arrangements – update	To receive an update on delivery of social value in the new health and social care arrangements. The report will provide data and analysis of measure on how social value is being delivered under these arrangements.	Cllr Craig (Executive Member for Adults Health and Wellbeing)	Bernadette Enright Ed Dyson	See September 2018 minutes

Proposal from Neighbourhoods and Environment Scrutiny Committee

Item	Purpose	Lead Executive Member	Lead Officer	Comments
Review of the Council's contract with Biffa Waste Services for the collection of waste and recycling	To review the Council's contract with Biffa Waste Services and in particular look at: <ul style="list-style-type: none"> • Whether they are fulfilling their contractual obligations; • The use of agency workers to undertake permanent roles on lower wages; • The use of zero hour contracts; • Appropriate training for staff to complete their duties; and • Whether new vehicles in use are fit for purpose. 	Cllr Akbar (Executive Member for Neighbourhoods)	Fiona Worrall/ Heather Coates	See NESC mins 10 October 2018